

Forest Legacy Project Priority Evaluation for FY2013

Purpose of the Forest Legacy Program is to identify environmentally important forest areas that are threatened by conversion to non-forest uses, and through the use of conservation easements and other mechanisms, to promote forest land protection and other conservation opportunities. The goal of the Forest Legacy Program in Montana is to conserve and enhance land, water, wildlife, and timber resources while providing for the continued working of Montana's forestlands and maintenance of natural and public values.

Please submit Forest Legacy projects in the following manner:

1) **TRACT NAME:** *Nevada Lake WMA Habitat Acquisition Project*

2) **APPLICANT NAME, ADDRESS if different from landowner.**

Montana Dept. of Fish, Wildlife & Parks
1420 East 6th Avenue
P.O. Box 200701
Helena, MT 59620-0701

3) **LANDOWNER INFORMATION:**

The Nature Conservancy
32 South Ewing
Helena, MT 59601
(406) 443-0303

4) **TRACT LOCATION** (town, township, county)

Powell County, seven miles southeast of Helmville Montana

5) **CONGRESSIONAL DISTRICT:** At Large

6) **STATE:** Montana

7) **STATE CONTACT PERSON:**

Ken McDonald
Montana Fish, Wildlife & Parks
1420 East 6th Avenue
P.O. Box 200701
Helena, MT 59620-0701

8) **TOTAL ACRES:** 760

9) **ESTIMATED TOTAL VALUE:** \$798,000

10) **FEDERAL FOREST LEGACY FUNDS REQUESTED:** \$598,500

11) **PROJECT IS FOR:** FEE

- 12) **ONE-LINE DESCRIPTION OF TRACT:** Tract is 760 acres (two parcels) of intermountain forest adjacent to the Nevada Lake Wildlife Management Area in west-central Montana's Blackfoot Valley.

Document requirements:

- 1) Map of tract with surrounding protected land identified. **Attached**
- 2) Aerial photo or copy of aerial photo. **Aerial landscape view, attached (2009 imagery).**

Include as many pages necessary to address the Eligibility Criteria, Selection Criteria, and National Core Criteria listed on the following pages.

ELIGIBILITY CRITERIA (must meet all criteria in the paragraph below plus the four listed criteria:

In order for the property to be eligible for inclusion it must be (A) forestland at least five acres in size and the landowner must be a willing seller of the parcel, to which he or she must hold a clear and unencumbered title. The proposed area must be (B) an environmentally important forest area that is threatened by conversion to non-forest uses. Forestland is defined as any land with trees that has at least ten-percent canopy cover or that formerly had such tree cover and is not currently developed for non-forest use. Lands that had formerly been forested, but that have been converted to non-forest use may be considered as forest lands if the property is covered by an approved Forest Stewardship Plan that intends to re-establish forest cover. The parcel qualifying for Forest Legacy must be (C) at least 75% forested under this definition to qualify for funding. All purchases, whether fee-ownership or conservation easement, must be (D) held by a governmental organization willing to acquire this specific interest in land

The Nevada Lake WMA Habitat Acquisition Project land lies within a critical forested habitat corridor in the southeastern Blackfoot watershed (Figure 1). The Project tracts comprise 760 acres (Figure 2), > 90% of which are currently forested (detailed timber cruise data are available). Project lands are former industrial timberlands currently owned by The Nature Conservancy (TNC). Since 2002, TNC has purchased approximately 160,000 acres of industrial timberlands in the Blackfoot and is actively working with communities and land management agencies to re-sell them to conservation buyers. TNC embarked on these monumental conservation projects because it recognized the real and imminent threat that these lands would soon be converted from working forestland and wildlife habitat to residential or commercial uses; the lands subject to this proposal are not currently developed. This Forest Legacy grant would allow Montana Dept. of Fish, Wildlife & Parks (FWP) to purchase these tracts and manage them as part of the Nevada Lake Wildlife Management Area. The grant monies would provide 75% of the appraised land value and TNC has committed to donate the remaining 25% of the land's value as match (see appended TNC Letter of Commitment).

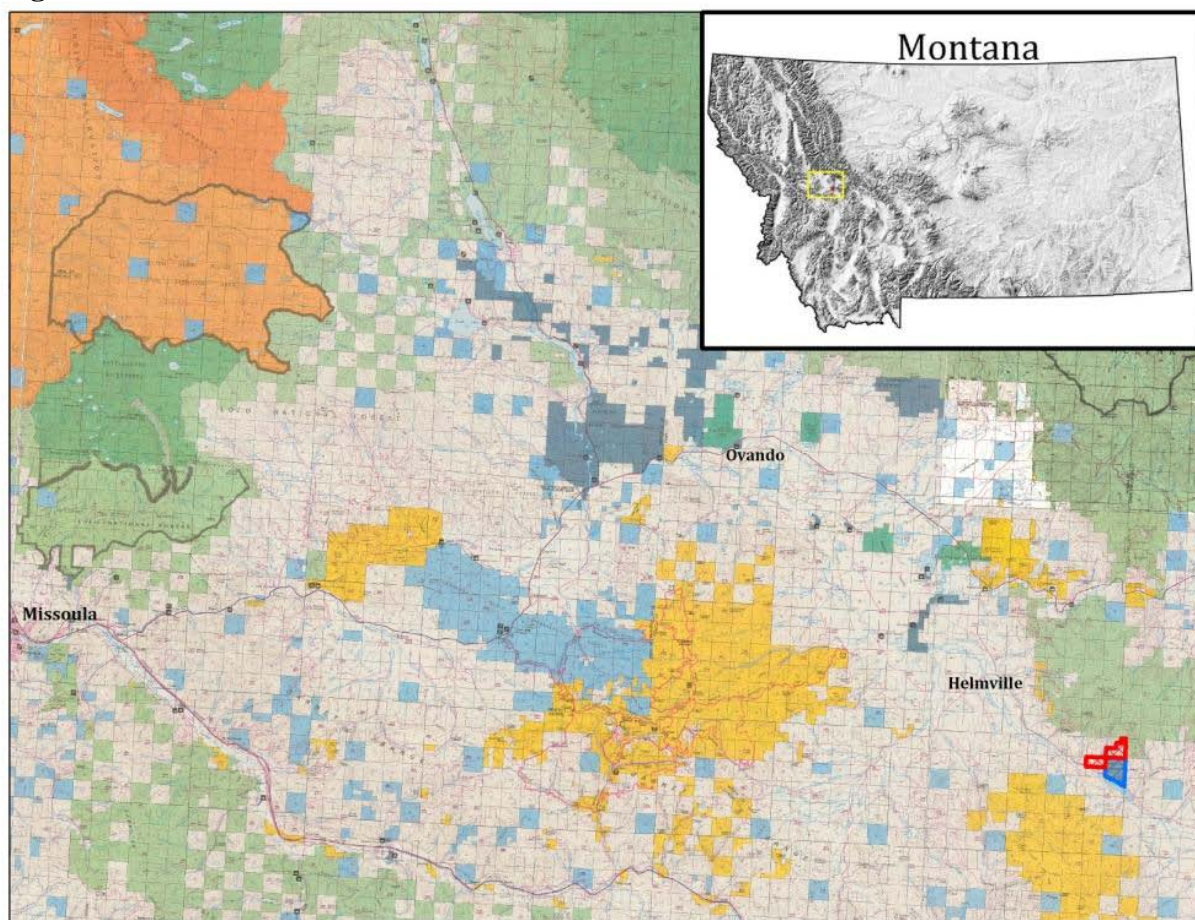
Figure 1.

Figure 2.



- 1) ***The property must be threatened by one of the following:***
 - a) *Conversion to non-forest uses,*
 - b) *Further subdivision into smaller parcels, or*
 - c) *Other detrimental impacts to a remnant forest type in Montana.*
- 2) ***The property must possess one of the following public values:***
 - a) *Social and economic values;*
 - b) *Natural aesthetic or scenic values;*
 - c) *Public education opportunities;*
 - d) *Public recreation opportunities;*
 - e) *Riparian areas;*
 - f) *Fish and wildlife habitat;*
 - g) *Threatened or endangered species;*
 - h) *Cultural and historical resources;*
 - i) *Traditional forest uses; and/or*
 - j) *Other ecological values.*
- 3) ***The property must meet one of the following planning requirements:***
 - a) *Have a Forest Stewardship Plan approved by the State Forester of his or her designated representative in accordance with National Forest Stewardship Program Criteria, or*
 - b) *In the case of a corporate forest landowner, have a multi-resource management plan that achieves long-term stewardship of forest land, or*
 - c) *Where land is acquired in fee or timber management rights are transferred in the conservation easement, a management plan will be developed by the organization acquiring those rights.*
 - d) *The Forest Stewardship Plan or Multi-Resource Management Plan must be completed and approved before the land transaction is finalized.*
- 4) ***There must be non-federal matching funds of at least 25% available in the form of cash and/or in-kind contributions. The applicant must have written confirmation from a state or local government willing to hold and monitor the conservation easement or own and manage the land in fee. For Montana Fish, Wildlife and Parks the authorized signature is the Wildlife Division Administrator. For other governmental agencies, the applicant must determine the appropriate party, which will be subsequently verified by FWP.***

Project History

The Nevada Lake WMA Habitat Acquisition Project is an integral part of the larger Blackfoot Challenge/Blackfoot Community Project located in the south-eastern Blackfoot watershed. The Blackfoot Challenge is a consensus-driven watershed partnership that includes Blackfoot Valley landowners, FWP, other public agencies, and non-governmental conservation organizations. Plum Creek Timber Company (PCTC), reorganized as a Real Estate Investment Trust in 1999, had identified thousands of acres in western Montana as having “higher and better uses” than commercial forestry and was actively marketing timberland in the Blackfoot for private development. The Challenge initiated the Blackfoot Community Project in the fall of 2002 as a proactive response to the progressive parceling

of these timberlands and as a means to allow the Blackfoot community a voice in guiding their future ownership and use.

Landowners, FWP, and conservation organizations recognized that the conversion of PCTC lands in the upper Blackfoot to non-forest uses would negatively impact the local timber industry, fragment some of the highest quality fish and wildlife habitat in the State, and threaten the Valley's rural agricultural character. These lands are comprised of critical mid- and low-elevation forested habitats, lying between upper elevation public lands and the privately owned valley bottom. The incremental sale of PCTC lands would have created numerous conflicts that could result in widely divergent, uncoordinated, and inconsistent land management with significant cumulative impacts to the valley's outstanding natural resource values.

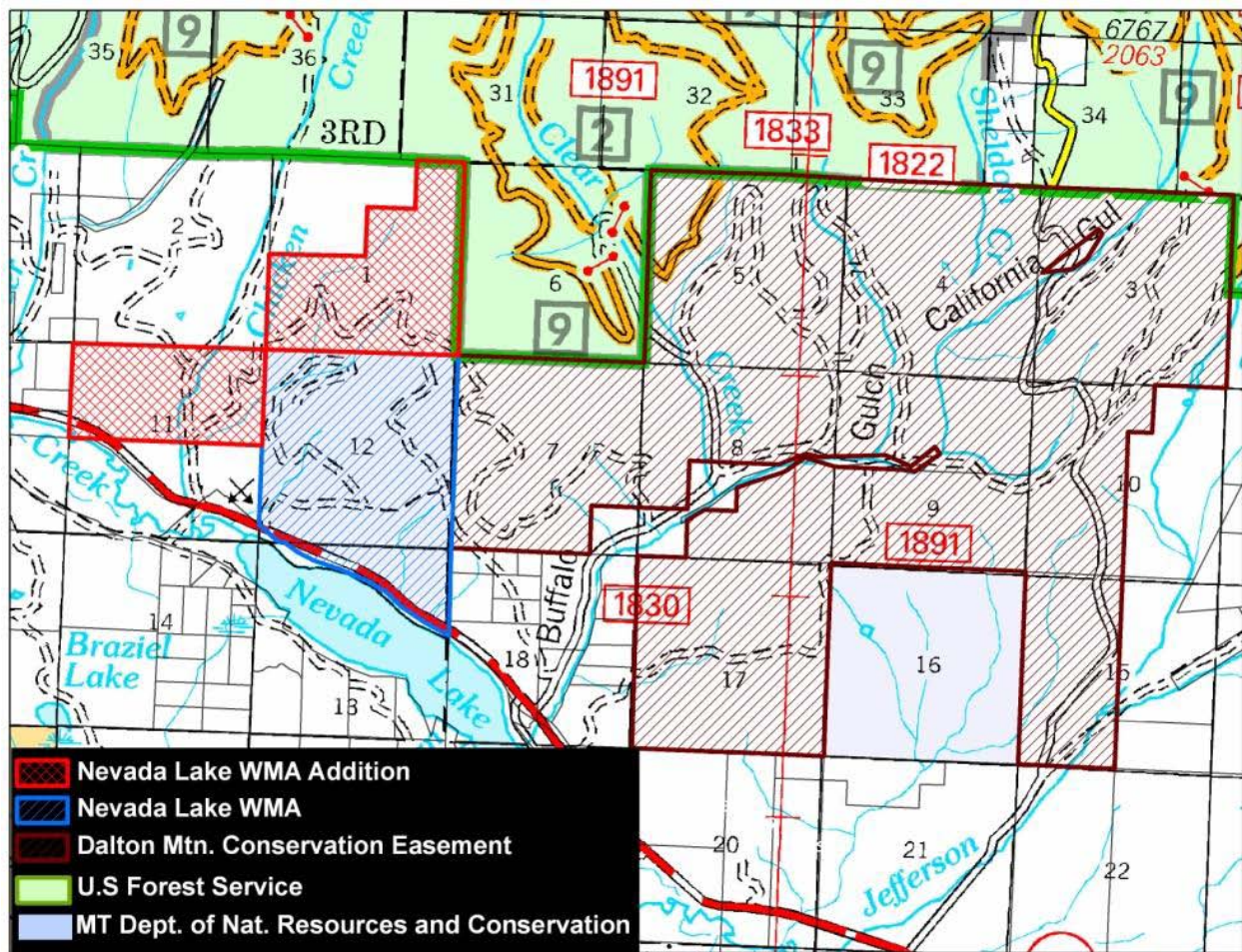
Recognizing the need to act quickly, strategically and on a large scale, The Nature Conservancy agreed to assume the financial risk of securing financing to purchase 89,000 acres of PCTC land for the Challenge. Since 2004, TNC's critical role in the Blackfoot Community Project has been as buyer and interim holder of the lands on behalf of the local communities. TNC does not intend to own any of this land over the long term and has transferred or intends to transfer all PCTC land that it purchases to public and private ownership. Final disposition of these lands is guided by the Blackfoot Challenge Disposition Working Group comprised of agency representatives (including FWP), local landowners, and TNC. Decisions are based on input (gathered at a series of public meetings held in every community in the watershed), funding availability, and agency recommendations. Community values that would guide the disposition strategy were clearly and formally identified by the community. The values deemed most important were:

- Continued forest management
- Timber harvest
- Livestock grazing
- Noxious weed control
- Conservation of fish and wildlife habitat
- Public recreational access

Successful completion of the Nevada Lake WMA Habitat Acquisition Project would assure the opportunity to support these valuable activities on the Project area. The Project parcels were identified by the Blackfoot Challenge Disposition Committee as being most appropriately acquired and managed by FWP. TNC has already re-sold most of the Blackfoot Community Project lands to agencies or conservation buyers; transferring the Nevada Lake parcels to FWP would nearly complete the larger Project and allow TNC to initiate additional conservation programs in the Blackfoot and elsewhere.

Conservation of the Nevada Lake WMA Project parcels will leverage past conservation investments by the Forest Legacy Program, FWP, the USFS, and other agencies. The subject parcels would double the size of the existing Nevada Lake WMA which itself lies directly west of the Dalton Mtn. Conservation Easement (held by FWP and largely funded by Forest Legacy Program funds). Together with the adjacent USFS property, these conservation lands form a functional block of forested habitat that supports a host of game species, species of concern, and recreational opportunities (Figure 3).

Figure 3.



Threat

Plum Creek's expressed and demonstrated intention to sell their forested holdings in the upper Blackfoot was the impetus behind the initiation of the Blackfoot Community Project. It is practically impossible for Forest Legacy or any other conservation program to effectively compete on the open market once Plum Creek has begun to offer an individual parcel. After a parcel is on the market it is highly unlikely that a program such as Forest Legacy could intervene quickly enough to prevent its unencumbered sale to a private party. The Blackfoot Community Project strategy of negotiating the sale of large blocks of timberland and holding them on an interim basis allows conservation disposition as funding becomes available. In addition, due to their willingness to hold properties until buyers willing and able to meet funders' requirements can be found, TNC is able to help communities guide Plum Creek timberland disposition in ways that benefit forest resources, traditional economies, and rural communities.

This strategy also enables forward-thinking programs such as Forest Legacy to conserve the most timberland possible using the Program's limited resources. By taking advantage of an economy of scale, The Nature Conservancy was able to negotiate a per-acre cost basis well below what individual parcels are currently selling for on the open market. Some examples reinforce this point:

- **2004**—Sale by Plum Creek of 446 acres to Wildlands, L.L.C., then subdivided and sold to a private party, then development of a lodge, home, cabins and health care facility, then marketed for \$6 million in a wildlife linkage zone along the Clearwater River.
- **2005**—Sale by Plum Creek of land south of Seeley Lake to a developer who subdivided it into several lots; one 140 acre parcel was offered for \$1.75 million.
- **2006**—Sale by Plum Creek of 640 acres within high quality grizzly bear and Canada lynx habitat (behind a closed USFS gate and having questionable access) currently subdivided and on the market for \$7.59 million.

By offering TNC an option to purchase the Project lands in 2004, Plum Creek implicitly indicated that these lands were among their highest priorities for disposal.

TNC could not have assumed the financial risk or dedicated the personnel necessary to enable the Blackfoot Community Project to succeed without trusting that its partners in the Blackfoot would share the burden of transferring the land to appropriate permanent owners. The Forest Legacy Program has recognized the importance of the Blackfoot Challenge's conservation strategy by recently funding four other similar transactions there: the Blackfoot-Clearwater Forest Legacy Project, the Nevada Creek Conservation Easements Project, The Murray Douglas Conservation Project, and the Clearwater Lands Project.

Lands in the Blackfoot have appreciated at rates as high as 10-14% per year recently. The same market forces that convinced Plum Creek to offer their lands for sale in 2004 continue to incentivize the sale of non-TNC private lands near the Project area. Lands directly adjacent to and near the Project area have been sold to private parties for residential development; even in the current soft market these parcels are being developed for residential use (Figure 3).

Development of the Project parcels would severely degrade the value of currently protected lands (including FWP WMA's, USFS lands, DNRC holdings, and adjacent conservation easements) as effective habitat for wide ranging species such as grizzly bears, wolves, lynx, elk and mule deer.

FWP is committed to acquire and manage Project lands; including setting aside significant funds in trust for their active management and restoration.

SELECTION CRITERIA

Once a parcel has met the test for eligibility, the following selection criteria will be used to compare multiple competing parcels. There is no ranking implied by the order in which the criteria are listed.

1) Social and Economic Values:

- Parcel helps to insure that historic forest uses will continue,*
- Project is accessible to markets and will contribute to local economies,*
- Parcel maintains local tax base while demonstrating that conservation and utilization of forest ecosystems are compatible with other land uses, lifestyles and local cultures,*
- Parcel is in conformance with local plans or other jurisdictions,*

e) *Neighbors and the local community support the project.*

FWP will maintain the subject property as continuous, undeveloped, forested wildlife habitat. FWP intends to actively manage the property's forest to benefit of wildlife habitat, forest health, and local economies.

FWP has the tools and authority to actively manage forested habitat and is doing so on nearby properties. FWP relies exclusively on local contractors and mills to perform forest management activities. Timber markets are already well established by Plum Creek, DNRC and other local forest managers in the immediate project vicinity. The subject property is located roughly 40 miles from Sun Mountain Lumber mill in Deer Lodge which employs 230 full-time workers, and is 60 road-miles south of Pyramid Mountain Lumber in Seeley Lake which has 110 full time employees. Hundreds of other area residents are supported by the timber industry including logging contractors, truck drivers, and those in support industries.

The parcels are heavily used and highly valued by recreationists; this acquisition will guarantee permanent public recreational access to the property. FWP pays full property taxes to the State and County for lands that it owns. The subject property is located entirely in Powell County. The Powell County Planning Board at large has expressly indicated support for land conservation and generally dispersed development in north Powell County. The Powell County Commission and Planning Board's land use plans discourage even moderate density residential development of Project lands.

This project would not have been proposed if it did not have broad public support. This proposal has already benefited from initial public input from the communities of the upper Blackfoot watershed and this conservation strategy was developed through direct coordination with the Disposition Working Group of the Blackfoot Challenge. In 2002 and 2003, input from hundreds of people who attended the community meetings indicated 90% support for the Blackfoot Community Project to acquire, and subsequently dispose of, the 89,000 acres of Plum Creek lands in the upper watershed. FWP rules require that adjacent landowners be informed and asked for comment prior to enactment of any proposed conservation easement. Neighboring landowners have been included in the Blackfoot Community Project disposition process and support FWP acquisition of the land.

2) Ecological Values:

- a) Parcel contains all or a portion of a unique biological or ecological community,
- b) Project will help maintain and restore natural ecosystem functions,
- c) Area contains tree species whose range or abundance is threatened by pathogens,
- d) Area contains tree species that are rare or unique to the state of Montana.

The subject property is a complex of native bunchgrass, riparian, and Douglas-fir/Ponderosa pine vegetation types. This type of intermountain habitat complex is rare and declining west of the Continental Divide in Montana, due to rapidly increasing demand and market values for land subdivision and residential or recreational development. This private land provides important linkage with surrounding mountain ranges that support recovering metapopulations of grizzly bears as well as locally critical winter ranges for elk and mule deer.

Project lands are recognized *FWP Crucial* elk and mule deer winter range. More than 250 elk winter on or near the subject parcels annually. The Project lands also form part of a regionally important wildlife movement corridor along the Continental Divide connecting the Northern Continental Divide Ecosystem and the southwestern Montana island ranges; Grizzlies, including breeding females, routinely use the property.

3) Management of surrounding lands and manageability:

- a) Adjacent land use is compatible with the objectives of the Forest Legacy Program,
- b) Parcel is of sufficient size that its natural or public values will remain intact regardless of surrounding land management,
- c) Intensity and expense of management activities to protect the property's values is economically feasible,
- d) Property can accommodate proposed priority uses or management activities without endangering or degrading its natural values,
- e) Noxious weed control is addressed in the stewardship or management plan, explain here the intensity of weed control past and future.

This project will serve to keep the natural ecosystem intact by preventing future subdivision and development. Large neighboring landowners have either entered into conservation easements and/or have maintained traditional use of their lands. Owners of the several smaller parcels near the Project area value it for the viewshed and for recreation. FWP management will maintain silvicultural opportunities allowing the promotion of healthy, diverse forests and wildlife habitat. In addition, by ensuring that these forestlands will remain intact and undeveloped, connectivity to and through adjacent large blocks of federal and State lands will be maintained. TNC has actively controlled weeds since acquiring the property; activities have included both herbicide applications and biocontrol releases. FWP annually spends tens of thousands of dollars in the Blackfoot treating noxious weeds on its holdings. If acquired, Project lands would be incorporated into FWP's integrated weed management planning and treatment of noxious weeds on the property would continue or increase, as needed.

4) Urgency:

- a) High risk: Conversion to non-forest use is likely to occur within 3 years,
- b) Moderate risk: Conversion to non-forest use is likely to occur within 3 to 5 years,
- c) Low risk: Conversion to non-forest use is likely to occur within 5 to 10 years.

The risk of conversion of Project lands to non-forest use is High. Please refer to Eligibility Criteria, Threat, for details regarding the immediacy of and precedence for this conclusion.

5) Partnership Potential:

- a) Project includes partnerships with one or more groups or individuals to decrease the cost and/or increase the effectiveness of the project.

This project is the result of longstanding and fruitful partnerships between FWP, The Blackfoot Challenge, and The Nature Conservancy. TNC's strategic purchase of the subject lands as part of a much larger deal that significantly reduced their upfront acquisition cost; TNC's administrative support during disposition has made the process more effective and efficient. The Challenge facilitated the larger Blackfoot Community Project and staff has participated in all of the landowner negotiations. During these discussions, the Challenge both helped broker the transactions and educate those involved about the expectations and benefits of participation. Finally, FWP's commitment to the

success of the larger Community Project, of which this proposal is a critical component, is indicative of the strong partnership between this agency and the Blackfoot Challenge—this working relationship has increased efficiencies and FWP’s effectiveness throughout the watershed. TNC has agreed to freely donate 25% of the land’s value as match to federal funds to ensure they move to public ownership.

6) Natural Aesthetic and Scenic Resources:

- a) Area is listed in local, state, or federal landscape inventory as distinctive or noteworthy,
- b) Area includes locally or regionally important panoramic views and or exceptional short views,
- c) Area is situated along a designated scenic travel-way.

FWP is not aware of any formal scenic designation for the Project area. The undeveloped character of the timberland provides a natural setting for unobscured views of the Continental Divide to the east along State Highway 141 (which the Project lands front, Figure 3) and the Garnet Mountains to the West. The landscape of the project area itself is a diverse and scenic viewshed, with pleasant draws and ridges, grass parklands, and riparian zones.

7) Public recreation opportunities:

- a) Water-based recreation is present (boating, swimming, fishing, rafting, canoeing),
- b) Trail-based and or day-use recreational opportunities exist (hiking, picnicking, horseback riding, birding, cross-country skiing, etc.,
- c) Natural resource recreational activities are available (camping, hunting, berry picking, etc.).

Should the subject parcels be acquired by FWP, they will remain open to public recreational use and enjoyment; they currently support thousands of recreational user days per year. We expect primary recreational uses to continue to include hunting, hiking, and horseback riding. Species hunted include mountain grouse, black bear, elk, mule deer, and white-tailed deer during open seasons. Acquisition would compliment adjacent public lands and lands managed under FWP-held conservation easements. This acquisition would also facilitate public access to these adjacent public lands from public roads and highways.

8) Public education opportunities:

- a) Rare and/or important educational opportunities are present,
- b) Parcel is accessible to population center(s).

The property is located less than 30 miles from the Drummond Public School. It is located about 60 miles from Missoula, and about 60 road-miles from Helena. As a result of the proposed Project, a significant plant and animal community would be protected and maintained, as would traditional uses of the land. The Project lands are near the University of Montana’s Lubrecht Experimental Forest and the BLM Garnet Resource Area, both centers of forestry and wildlife research activities. Opportunities for education in biology, ecology, range and wildlife management, agriculture and forestry would likewise be perpetuated on this land, although none are planned at this time. Such opportunities may be expected to increase in value in the future as human populations expand and natural landscapes are further impacted.

9) Riparian resources:

- a) Parcel includes important wetlands (especially isolated wetlands) or is adjacent to watershed protection areas,
- b) Project can maintain or increase the quality or quantity of water,
- c) Area is situated on major river or stream,
- d) Area has more than 300 lineal feet of river or wetland shoreline,
- e) Area includes floodplain and natural valley storage components,
- f) Area contains a minimum 80-foot strip of native trees and shrubs as a natural buffer and sediment filter,
- g) Area contributes to a public or private drinking water supply.

Chicken Cr. flows through the Project area and is a moderate conservation priority for FWP Blackfoot fisheries biologists; this tributary flows into the world-class cold-water Blackfoot River fishery. Gradient is generally steep and isolated wetlands do not occur beyond the normal stream riparian zone.

10) Fish, wildlife and plant habitat encompassed:

- a) Area contains habitat for forest-interior or forest-nesting birds,
- b) Area harbors significant populations of high priority resident bird species and/or Neotropical migrant species, as designated by the Montana Partners In Flight Landbird Conservation Plan,
- c) Area is home to significant populations of forest inhabiting mammals, reptiles, amphibians and invertebrates,
- d) Area exhibits connective habitats, corridors, habitat linkages, and other areas that reduce biological isolation,
- e) Area provides habitat for threatened, endangered or sensitive species,
- f) Area contains plant species listed as threatened, endangered or of special concern,
- g) Area includes all or part of an Important Bird Area identified by MT Partners In Flight.

The Project area contains 760 acres of forested habitat. Detailed avian surveys of the subject property have not yet been completed. Non game expected to occur include Pileated Woodpecker, Cassin's Finch, Pine Grosbeak, Varied Thrush, American Robin, Townsend's Solitaire, Yellow-rumped Warbler, MacGillivray's Warbler, Western Wood-peewee, Hairy Woodpecker, Common Raven, Gray Jay, Red-tailed Hawk, Dark-eyed Junco, Northern Flicker, Williamson's Sapsucker, Franklin's Grouse, Great Gray Owl, Chipping Sparrow, Song Sparrow, Goshawk, Pine Siskin, Black-capped Chickadee, Red-breasted Nuthatch and Western Tanager. These species have been observed in the vicinity of the Project area, and are expected in the forests of the subject property.

11) Cultural and historical resources:

- a) Area contains recorded archaeological site(s),
- b) Area includes historic structure(s) or site(s)

No documented archaeological or historic sites are known to occur on the subject property.

12) Opportunities for the continuation of traditional forest use:

- a) Area provides opportunities for the continuation of traditional forest uses such as forest management, timber harvest, other commodity use and outdoor recreation.
- b) Explain plans for Forest Management, especially intensity of management.
- c) Explain plans for Livestock Management, especially intensity of management.
- d) Explain Public Access allowed; time of year/intensity of use/ types of use.

This proposed acquisition will move this former corporate timberland to public ownership, thus specifically protecting and perpetuating traditional uses of the land. FWP acquisition will prevent conversion of the land from its traditional condition and use. The extent and intensity of timber management activity will depend on forest succession, habitat management goals, and public input but is specifically enabled by standing FWP statute, authority, and management plans. The proposed acquisition will guarantee public access for walk-in hunting and other recreational uses. Commercial recreational developments that would impact the availability and quality of habitat for wildlife would be expressly prohibited.

NATIONAL CORE CRITERIA May 16, 2011 updated

The following criteria are part of the decision making process at the State and National level. It is suggested the applicant explain how the proposed project fits the four criteria of IMPORTANCE, THREATENED; STRATEGIC AND READINESS.

Importance –This criterion focuses on the attributes of the property and the environmental, social, and economic public benefits gained from the protection and management of the property and its resources. This criterion reflects the ecological assets and the economic and social values conserved by the project and its level of significance. National significance is typically viewed as activities that support Federal laws (such as Endangered Species Act, Safe Drinking Water Act, and Clean Water Act) or interstate/international resources (such as migratory species, or trail and waterways that cross state or international boundaries).

More points will be given to projects that demonstrate multiple public benefits with state and/or national significance. A project need not have all the attributes listed to receive maximum points for this category.

- *High importance* (21-30 points) – The project protects multiple public benefits with state or national significance;
- *Medium* (11-20 points) – The project protects public benefits with state significance; or
- *Low* (0-10 points) – The project protects public benefits with local or state significance.

Working timberlands are declining throughout the west. Inexorable market pressures will continue to encourage the conversion of these lands to non-forest uses at the expense of traditional economies, open space, and wildlife habitat. These lands and lifestyles are part of our national heritage and they are being lost at an alarming rate. Innovative initiatives such as the Blackfoot Community Project (BCP), working in concert with communities, NGO's, and forward thinking programs like Forest Legacy, are our best hope for arresting the loss of these lands at a landscape scale. The public benefits that will result from the continued success of this project are national in scope. The Blackfoot Challenge and TNC are leaders in refining a model for successfully addressing the imminent divestiture of millions of acres of corporate timberland across the country. Funding of this Project will perpetually conserve (at reasonable cost) high quality wildlife habitat and timberland in the heart of the Blackfoot and is critical to the overall success the larger BCP.

In addition to facilitating the success of the larger 89,000 acre BCP, funding of this Project will 1) retain nearly 800 acres of productive timberlands as working forests thus helping to support important local lumber mills, logging contractors, and support industries 2) will ensure world-class big game hunting opportunity is available in perpetuity 3) will leverage past conservation investments by protecting a critical component of a larger, formerly imperiled, landscape.

Attributes to consider: The descriptions listed represent the ideal project for each attribute. (there is no order of importance)

Economic Benefits from Timber and Potential Forest Productivity –This category includes three independent components: (1) Landowner demonstrates sustainable forest management in accordance with a management plan. Additional points should be given to land that is third party certified (such as Sustainable Forestry Initiative, Forest Stewardship Council, and American Tree Farm System). (2) Forestry activities contribute to the resource-based economy for a community or region. (3) The property contains characteristics (such as highly productive soils) to sustain a productive forest. (Strategic Direction Goal 2.3)

Economic Benefits from Non-timber Products – Provides non-timber revenue to the local or regional economy through activities such as hunting leases, ranching, non-timber forest products (maple syrup, pine straw, ginseng collection, etc.), guided tours (fishing, hunting, birdwatching, etc.), and recreation and tourism (lodging, rentals, bikes, boats, outdoor gear, etc.).

Threatened or Endangered Species Habitat – The site has documented threatened or endangered plants and animals or designated habitat. Federally listed species will be given more consideration than state-only listed species. (Strategic Direction Goal 2.3)

Fish, Wildlife, Plants, and Unique Forest Communities- The site contains unique forest communities and/or important fish or wildlife habitat as documented by a formal assessment or wildlife conservation plan or strategy developed by a government or a non-governmental organization. (Strategic Direction Goal 2.3)

Water Supply and Watershed Protection – (1) Property has a direct relationship with protecting the water supply or watershed, such as provides a buffer to public drinking water supply, contains an aquifer recharge area, or protects an ecologically important aquatic or marine area, and/or (2) the property contains important riparian area, wetlands, shorelines, river systems, or sensitive watershed lands.(Strategic Direction Goal 2.1)

Public Access –Protection of the property will maintain or establish access by the public for recreation; however, restrictions on specific use and location of recreational activities may exist. (Strategic Direction Goal 2.3)

Scenic – The site is located within a viewshed of a government designated scenic feature or area (such as trail, river, or highway).

Historic/Cultural/Tribal – The site contains features of historical, cultural, and/or tribal significance, formally-documented by a government or a non-governmental organization.

The Nevada Lake WMA Habitat Acquisition Project ensures the perpetual opportunity to actively manage forest resources for wildlife habitat and local economic benefit. FWP has the authority, ability, and demonstrated intent to actively manage its forested holding for the benefit of wildlife habitat and local economies. By maintaining high quality wildlife habitat, FWP provides additional economic benefit to local communities by attracting

thousands of hunters and other recreationists annually. This project will also conserve and enhance habitat for threatened and recovering species; notably expanding grizzly bear populations and dispersing Canada lynx. Should the subject parcels be sold to private landowners without conservation protections, public access to the land may well be lost. In addition, otherwise difficult access to FWP and USFS lands will be greatly improved.

Threatened -This criterion estimates the likelihood for conversion. More points will be given to projects that demonstrate multiple conditions; however, a project need not have all the conditions listed to receive maximum points for this category. During the evaluation of threat, a good land steward interested in conserving land should not be penalized

Legal Protection- The degree of legal protections that currently exists on the property (e.g. current zoning or existing easements), whether these protections remove the threat of conversion, and to what extent.

Land and Landowners Circumstances – land and landowner circumstances such as property held in an estate, aging landowner, future property by heirs is uncertain, property is up for sale or has a sale pending, landowner has received purchase offers, land has an approved subdivision plan, landowner has sold subdivisions of the property, etc.

Adjacent Land Use- adjacent land use characteristics such as existing land status, rate of development growth and conversion, rate of population growth (percent change), rate of change in ownership, etc.

Ability to Develop- physical attributes of the property that will facilitate conversion, such as access, buildable ground, zoning, slope, water/sewer, electricity, etc

Third Party Ownership- If property has been acquired by a third party at the request of the state, threatened will be evaluated based on the situation prior to the third party acquisition.

- *Likely* (11-20 points) - Multiple conditions exist that make conversion to non-forest uses likely.
- *Possible* (1-10 points) - A few conditions exist that make conversion to non-forest uses possible.
- *Unlikely* (0 points)- Current conditions exist that make conversion to non-forest uses unlikely.

Likely.

Parcels immediately adjacent to Project lands have been subdivided, placed on the open market, and were developed as primary and second home sites (Figure 3). If the lands subject to this proposal were sold individually, they would almost certainly have been converted to residential use.

By offering TNC an option to purchase the subject parcels, Plum Creek implicitly indicated that these lands were among their highest priorities for disposal. Plum Creek Timber Company's expressed and demonstrated intention to continue sale of their forested holdings in the upper Blackfoot was the impetus behind the initiation of the Blackfoot Community Project. Subsequent sales of industrial timberland in the vicinity of the subject lands demonstrate that when timberlands are marketed for non-forest uses, per-acre values can be orders of magnitude higher than what traditional forest commodities can generate. These high prices reflect demand for relatively small residential parcels. That TNC assumed the financial risk of holding these lands until conservation buyers could be found

does not change the threatened status of these lands—it represents a proactive first step in a strategy to address it.

Strategic - This criterion reflects the project's relevance or relationship to conservation efforts on a broader perspective. When evaluating strategic, three considerations should be made: 1) the scale of a conservation plan, 2) the scale of the project's contribution to that plan, and 3) the placement of the parcel within the plan area. (FLP Strategic Direction 1.1, 1.2, and 1.3)

There is a long history of collaborative conservation in the Blackfoot watershed. Since 1976, more than 300,000 acres of private timber and ranch land has been permanently conserved there. Conceived in 2002, the Blackfoot Community Project was intended to prevent the parceling and development of 89,000 acres of Plum Creek Timber Company lands in the Blackfoot watershed. The Nevada Lake WMA Acquisition Project is a critical component of the larger Blackfoot Community Project's conservation strategy and would nearly complete this landmark initiative.

In 2008 TNC proceeded to purchase 310,000 acres of PCTC lands in western Montana (The Montana Legacy Project), 70,000 of those in the Blackfoot alone. TNC's critical role in the Blackfoot Community Project and Montana Legacy Project has been as buyer and interim holder of the lands on behalf of the local communities. TNC does not intend to own any of this land over the long term and has transferred or intends to transfer all PCTC land that it purchased to public and private ownership. In the Blackfoot, final disposition of these lands is guided by the Blackfoot Challenge Disposition Working Group comprised of agency representatives (including the USFS, USFWS, BLM, MT DNRC, and FWP), local landowners, and TNC. Decisions are based on input gathered at public meetings, funding availability, and agency recommendations.

To date, TNC has re-sold most of its productive timber and range land in the Blackfoot; remaining lands are also slated for federal and state stewardship or sale to adjacent landowners after conservation easements have been placed on them. The continued success of these projects is critical. The conservation strategy being pioneered by the Blackfoot Challenge and TNC is a model for ongoing efforts to address the imminent divestiture of millions of acres of corporate timberland nationwide. It's crucial that conservation investors, corporate timber companies, and NGOs can look to the Blackfoot Community Project and Montana Legacy Project as demonstrations of an effective, popular, and economically viable strategy to preserve natural landscapes and traditional rural economies. Successful completion of the Nevada Lake WMA Habitat Acquisition Project would nearly finish the Blackfoot Community Project and would position TNC to pursue additional conservation initiatives in Montana and elsewhere.

This project would also leverage past investments in hundreds of thousands of acres of adjacent USFS land. It would double the size of a highly-valued FWP Wildlife Management Area. In total, this project would consolidate a >10,000-acre block of non-federal conserved lands along many miles of Forest Service border. These parcels are crucial elk and deer winter range; protecting them will directly benefit people who enjoy wildlife on USFS lands during summer and fall. FWP acquisition of the subject parcels will maintain the infrastructure and bring the administrative mandate to responsibly manage this forested habitat going forward.

Attributes to consider:

Conservation Strategy- How the project fits within a larger conservation plan, strategy, or initiative as designated by either a government or non-governmental entity.

Compliment Protected Lands- How the project is strategically linked to enhance already protect lands including past FLP projects, already protected Federal, State, or non-governmental organization lands, or other Federal land protection programs (NRCS, NOAA, etc).

- *High* (21-30 points) - The property significantly advances a landscape-scale or watershed-based conservation strategy through infill and/or key linkages and supports previous conservation investments.
- *Average* (11-20 points) - The property makes a modest contribution to a conservation effort and is near already protected lands.
- *Low* (0-10 points) - The property is not part of a conservation plan, but will lead to locally-focused conservation effort.

Additional Considerations

The following are items that will be considered by the panel as a whole, and not by the individual panel members when scoring projects.

1. The National Review Panel is not bound by the state priority ranking of projects. If the National Review Panel ranks projects out of a state's priority order, then the panel will call that state to discuss the situation. However, the panel will not move a lower ranked project up the list.
2. The National Review Panel will pay particular attention to the amount of unspent funds each state has in outstanding grants. There is the potential that a state's project will not be recommended for funding if that state has a significant backlog in unspent funds.
3. The National Review Panel will consider the state's capacity when developing the final list of ranked projects and associated funding levels (e.g. no state coordinator, does not have resources to monitor conservation easements,).
4. The National Review Panel will **give 1/2 (0.5) additional point** added to the average panel score for projects that have leveraged 50% match, or greater.

Project Readiness: is defined as the degree of due diligence applied and the certainty of a successful FLP project. To demonstrate project readiness, completed items need to be specified (including completion date) in FLIS and credit will only be given to those items completed (one tally for each completed item, with a maximum tally of 7. Projects with multiple tracts will need to have the majority of their tracts have the completed task before a tally is given):

1. Information has been documented to support cost estimate, such as completed market analysis or preliminary appraisal.
2. Landowner and easement holder have agreed to easement or fee acquisition conditions.
3. Cost Share commitment has been obtained from a specified source.
4. A signed option or purchase and sales agreement is held by the state or at the request of the state. **OR** At the request of the State, conservation easement or fee title is held by a third party.
5. Title search is completed.
6. Minerals determination is completed.
7. Stewardship plan or multi-resource management plan is completed.

The Nature Conservancy owns these lands in unencumbered fee title. TNC has invested significant resources in this project already including outright purchase cost, years of maintenance, and by the commitment of 25% of the property's appraised sale value as grant match (see Letter of Commitment, attached). Land values were estimated by a certified appraiser July of 2011 at an aggregated \$1,050/ac. Full title and minerals work was completed by TNC before acquiring the land; impediments and liabilities to sale have been investigated and resolved.

TNC and FWP are prepared to complete the sale as soon as funds become available. TNC has partnered with FWP on many of the recent Montana Forest Legacy Program-funded projects. Montana continues to complete these complex and nationally significant projects in accordance with Program standards.

Photo of Nevada Lake Habitat Acquisition Project lands.





The Nature Conservancy of Montana
32 South Ewing Street
Helena, MT 59601

Tel (406) 443-0303
Fax (406) 443-8311

nature.org

July 6, 2011

Dear Forest Legacy Program Administrators,

The Nature Conservancy fully supports USFS Forest Legacy Program funding the acquisition, by Montana Dept. of Fish Wildlife & Parks (FWP), of 760 acres of land currently owned by The Nature Conservancy (TNC) in the Blackfoot Watershed. Upon acquisition, these lands would be added to and managed as the Nevada Creek Wildlife Management Area. TNC recognizes that preventing the conversion of these lands to non-forest use is critical to maintaining both functional ecosystems and forest-based economies in the Blackfoot watershed.

The Nevada Lake parcels are contiguous with both existing USFS ownership and the Nevada Lake WMA. They also compliment a larger block of private and public lands recently protected through land acquisitions and conservation easements. Conserving these lands will help maintain a critical wildlife movement corridor along the Continental Divide that is increasingly important to resident and dispersing grizzly bears, wolves, elk, mule deer, lynx and other species. The subject lands are recognized crucial elk and mule deer winter range and are vitally important to hunters and other recreationists; the parcels are also strategically located so as to provide public access to adjacent state and federal lands. TNC strongly supports the sale of these lands to FWP so that these values can be preserved in perpetuity.

Since 2002, TNC has partnered with other watershed and national conservation groups to guide the disposition of nearly 160,000 acres of industrial timberlands in the Blackfoot watershed through both the Blackfoot Community and Montana Legacy Projects. TNC does not intend to hold any of these lands over the long term; we are actively working to re-sell these lands to public agencies or private landowners with conservation protections in place. The Nevada Lake parcels subject to this proposal represent some of the last remaining lands we still hold after these monumental efforts.

TNC agrees to donate 25% of the parcels' appraised value to satisfy the Forest Legacy Program match requirement. We hope this continued commitment of private financial resources underscores our belief that the most appropriate disposition of these lands is to FWP. We believe that under their active management the forest resources, wildlife habitat, and recreational opportunities these lands support will be maintained and improved. Completion of this transaction is critical to the success of the Blackfoot Community Project and will enable TNC to continue to help protect timberlands in the Blackfoot and elsewhere.

Regards,

A handwritten signature in dark ink, appearing to read "Bee Hall", written over a horizontal line.

Bee Hall
Associate State Director
(406) 443-6731